



REPORT

DATE ISSUED: October 1, 2004 **ITEM 101**

REPORT NO.: HCR04-76
For the Agenda of October 8, 2004

SUBJECT: San Diego Second Chance Prisoner Reentry Employment Program (PREP) Transitional Housing Grant (Council Districts 3, 4, 7, and 8)

SUMMARY

Issue: Should the Housing Commission approve a \$56,250 grant to San Diego Second Chance for operation of the Prisoner Reentry Employment Program (PREP)?

Recommendation: That the Housing Commission approve a grant in the amount of \$56,250 as partial operating support to San Diego Second Chance’s 18-bed Prisoner Reentry Employment Program (PREP) and authorize the President & Chief Executive Officer to execute a contract in a form acceptable to General Counsel.

Fiscal Impact: Approval of the recommendation will result in the expenditure of \$56,250 in FY05 Housing Trust Fund funds.

Certificate of Funding Availability:

Certificate No:	05-057
Amount:	\$56,250
Revenue Source:	HTF Rehab (Loan payments)
Division:	Housing Finance & Development
Line Item:	Grants

Affordable Housing Impact: Funds will be used to assist approximately 108 very-low income individuals (\$24,000 for an individual earning fifty percent of area median income) who are exiting the prison system as they transition back into society and into permanent housing. This grant will partially fund 18 transitional housing beds for one year.

Environmental Review: Grants funding operations are exempt from environmental review.



Previous Related Actions: On June 4, 2004, the Housing Commission approved funding \$850,351 to thirteen Transitional Housing Programs providing a total of 529 beds for one year, and voted to not include funding for Second Chance PREP through the competitive process under review at that time. Staff was encouraged to continue to work with the organization on the proposal.

BACKGROUND

As part of its oversight responsibilities of the Housing Trust Fund (HTF), the Housing Commission is required (Municipal Code Section 98.0504) to commit at least 10 percent of each year's HTF program funds to Transitional Housing activities. This \$56,250 meets the Ordinance requirements by serving very low income households and will help meet the 10 percent Transitional Housing requirement for FY05.

A Request for Proposals from Nonprofit Corporations Seeking to Provide Transitional Housing for the Homeless was issued on January 20, 2004. Fifteen proposals were received before the deadline requesting a total of \$1,420,293, including an application from San Diego Second Chance PREP. A Proposal Review Committee was utilized to review, score, and rank the applications according to criteria outlined in the Request for Proposal, and to recommend a methodology to fund the applications. The Committee did not recommend funding for San Diego Second Chance's Prisoner Reentry Employment Program (PREP) for the following reasons:

1. Funding the application would have reduced funding for renewal programs which were already being funded at reduced levels from prior year awards.
2. The proposal did not provide any additional beds, but used beds in existing programs, thereby reducing the number of beds under other programs (Second Chance HTF beds were reduced from 18 to 14 beds).
3. The proposal was not clear to Committee members. The Committee felt the proposal would have been clearer if both the Second Chance Program and the PREP program were combined into one application.

DISCUSSION

At the time of the June 4, 2004 Housing Commission meeting, there were no additional funds available/budgeted to fund the Second Chance PREP program, even though the application received a score of 80 points (ranked 9th out of 13 applications) and Housing Commission staff

and Board were supportive of the program. Housing Commission staff suggested that San Diego Second Chance apply under the Targets of Opportunity Program after the end of the 2004 fiscal year, at which time staff would know the actual amounts available under the various Housing Trust Fund programs.

On July 7, 2004, San Diego Second Chance applied under the Targets of Opportunity Program. The Targets of Opportunity program was developed to allow the Board the flexibility to take advantage of opportunities for affordable housing that cannot be funded through other Housing Trust Fund programs. The program is targeted to very low- and low-income households that will reside in housing made available through this program. In FY04, the Housing Trust Fund collected more revenue than anticipated, carrying over into FY05. Funding this Targets of Opportunity project will not detract from the HTF FY05 Annual Plan.

Since their original proposal submission, Second Chance has purchased a 7-bedroom, 4-bath home at 3711 Bancroft Street in North Park. With the addition of this sixth site, Second Chance is providing 94 transitional housing beds, 18 to be partially funded by this grant.

Attachment 1 provides a summary of Second Chance's Prisoner Reentry Employment Program.

Staff recommends funding \$56,250 as partial operating support for one year (FY05), as outlined in Attachment 2, PREP Program Budget.

ALTERNATIVE

The Housing Commission could deny, increase, or reduce the funding recommendation.

Submitted by,

Cissy Fisher
Director, Housing Finance & Development

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
President & Chief Executive Officer

Attachments: 1. PREP Summary
2. PREP Program Budget

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Information: Ann Kern, (619) 578-7582

ATTACHMENT 1

Sponsor:	San Diego Second Chance
Project:	Prisoner Reentry Employment Program (PREP)
Funding Request:	\$56,250
Purpose:	Homeless adults
No. of beds:	18
Total cost:	Annual cost is \$567,000 (\$63,000 per bed)
Leverage:	\$510,750 from HUD, CDBG, State EDD, California Endowment, and private and corporate funds
Prior HTF Funds:	NA

Agency Sponsor

San Diego Second Chance (Second Chance) is a nonprofit agency located at 505 16th Street. Its mission is to create opportunities for self-sufficiency by providing jobs and housing for homeless and long-term unemployed men and women through public and private community partnerships. Second Chance has operated transitional housing facilities since 1994.

Client Group and Resident Selection

The target population is adult men and women being released from correctional facilities. Released inmates experience higher rates of homelessness, unemployment, mental illness, and substance abuse. The PREP program seeks to overcome barriers to successful reintegration into society and therefore prevent re-incarceration and further burdens to public safety and health.

Applicants are referred from corrections personnel. Interested inmates submit an application and undergo assessment by Second Chance staff to determine need and program appropriateness. Inmates admitted into the program are notified and picked up from the correctional facilities upon their release and transported to Second Chance facilities.

Program Design, Location & Operations

Second Chance owns and operates 94 transitional housing beds at the following six sites: 1) Central House (3517 Central Avenue – 6 bedrooms); 2) 46th Street House (4075 46th Street – 5 bedrooms); 3) Flicker House (735 Flicker Street – 5 bedrooms); Alumni House (5091 Alumni Way – 11 bedrooms); 5) Hartley House (4750 Hartley – 4 bedrooms); and 6) 3711 Bancroft Street – 7 bedrooms. All houses are located in residential neighborhoods and each house is supervised by a manager and assistant.

PREP participants are required to remain active and good standing in the STRIVE job readiness training and employment placement program and adhere to all house rules. Upon completion of the STRIVE component, individuals will be assigned an employment specialist to monitor and assist in job search, provide job leads, and facilitate job placement.

PREP clients will receive transitional housing, case management, mental health counseling, referral services and placement assistance. All services are provided off-site. Clients may remain in the program for up to 60 days. Second Chance will conduct regularly scheduled follow-up interviews with program participants for two years after they complete the program.

Staffing

Professional staffing is in place under the Executive Director (oversees staff and management of the facilities and mentors participants as they progress towards graduation). Additional staff includes a Housing Case Manager (conducts needs assessments, develops individual housing plans, and provides housing referrals), Housing Services Manager (creates and maintains a database of rental units), Orientation and Assessment Teams (conduct outreach and needs assessment), Employment Services Manager (employment related services), STRIVE Training Coordinator (supervises activities related to job readiness training workshops and participant development), Employment Specialist (places participants in jobs), LCSW/MFT counselor (provides mental health counseling, crisis intervention and referral services), and a Case Manager. Many of the staff and board members are formerly homeless themselves and/or are in recovery thus enabling them to assess the needs and readiness of potential participants.

Leverage

HTF funds requested are \$56,250 and represent 10 percent of the program's cost for FY05. Second Chance will provide \$510,750 through funding from a HUD Solutions grant (\$36,000), CDBG (\$36,000), EDD (\$42,000), private and corporate funding (\$124,750), California Endowment (\$146,580), and sponsor contributions (\$125,420).

Innovation and Community Involvement

Second Chance's approach is to engage inmates prior to their release thereby preventing homelessness and its associated social burdens (substance abuse, mental health issues, and returning to a life of crime).

Second Chance partnerships include the San Diego County Sheriff, Federal Bureau of Prisons, State Dept. of Corrections, Parole & Community Service, and California Youth Authority. Second Chance also works closely with other participating Continuum of Care agencies. The California Dept. of Rehabilitation, Goodwill Industries, and Able-Disabled Advocacy provide training linkages and the California Employment Development Dept., San Diego Workforce Partnership, and area STRIVE employers provide training and employment opportunities.

Outcome Measures/Objectives

Objectives for the Grant year include: outreach to 720 inmates; assess 288 men and women for program need; enroll and provide housing and services to 108 former prisoners, graduate and place 80 participants into full time employment, and transition 60 clients into permanent housing.